

VOTE SHEET

October 14, 2008

Docket No. 080009-EI – Nuclear cost recovery clause.

Issue 1A: Should Progress Energy Florida, Inc. and Florida Power & Light Company be allowed to recover through the Nuclear Cost Recovery Clause revenue requirements for a phase or portion of a system associated with a power plant, after such phases or portion of the project has been placed into commercial service, or should such phases or portion of the project be recovered through base rates?

Recommendation: PEF and FPL should be allowed to recover through the NCRC associated revenue requirements for a phase or portion of a system placed into commercial service during a projected recovery period. The revenue requirement should be removed from the NCRC at the end of that period. Any difference in recoverable costs due to timing (projected versus actual placement in service) should be reconciled through the true-up provision.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in the majority column:

REMARKS/DISSENTING COMMENTS: Commissioner McMurrian participated in the conference by telephone. She will sign the vote sheet upon return to the office.

all issues approved with attached oral modifications.

DOCUMENT NUMBER-DATE

09978 OCT 20 8

FPSC-COMMISSION CLERK

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Issue 1B: If recovery of costs for a phase or portion of a system associated with a power plant that is in commercial service continues through the Nuclear Cost Recovery Clause, how should the revenue requirements for that phase or portion be determined?

Recommendation: If cost recovery is allowed in Issue 1A, then the revenue requirements collected through the NCRC should be determined according to current rate setting standards consistent with Section 366.93(4), F.S., and Rule 25-6.0423(7), F.A.C. This issue is moot if, in Issue 1A, the Commission does not allow recovery of costs for a phase or portion of a system associated with a power plant that is in commercial service to occur through the Nuclear Cost Recovery Clause.

APPROVED

Issue 1C: How should the completion of site clearing work be determined for purposes of distinguishing between preconstruction and construction costs for recovery under the clause?

Recommendation: In general, site clearing work is complete when the property has been prepared to a condition that can allow the initiation of the first construction activity. Distinguishing between preconstruction and construction costs should be considered on a case-by-case basis.

APPROVED

Issue 3A: Should the Commission find that for the year 2007, PEF's project management, contracting, and oversight controls were reasonable and prudent for Levy Units 1 & 2 project and the Crystal River 3 Uprate project?

Recommendation: Staff recommends the Commission find PEF's 2007 project management, contracting, and oversight controls were reasonable and prudent for the CR3 Uprate project. Consistent with the agreement between OPC and PEF, staff recommends the Commission defer making a determination regarding the prudence of PEF's Levy 1 & 2 2007 project management, contracting, and oversight controls.

APPROVED

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Issue 3B: Should the Commission find that for the year 2007, PEF's accounting and costs oversight controls were reasonable and prudent for the Levy Units 1 & 2 project and the Crystal River 3 Uprate project?

Recommendation: Staff recommends the Commission find PEF's 2007 accounting and costs oversight controls were reasonable and prudent for the CR3 Uprate project. Pursuant to the approved partial stipulations, staff recommends the Commission defer making a determination of prudence for PEF's Levy 1 & 2 2007 accounting and costs oversight controls. A determination on the appropriate method for valuing land held for future use at Levy Units 1 & 2 will be a part of the 2009 NCRC proceeding.

APPROVED

Issue 7E: What amount should the Commission approve as PEF's final 2007 true-up of prudently incurred construction costs for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as prudent an amount of \$38,520,916 (gross system) as final 2007 CR3 Uprate project construction costs. The amount net of participant credits is \$34,278,183 system (~~\$33,136,826~~ \$32,136,826 jurisdictional).

APPROVED

Issue 7F: What amount should the Commission approve as carrying charges on PEF's prudently incurred 2007 construction costs for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve the amount of \$925,842 as the carrying charges on prudently incurred 2007 construction costs for the CR3 Uprate project.

APPROVED

Issue 7G: What total amount should the Commission approve as PEF's final 2007 true-up to be recovered for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as prudent the amount of \$928,896 as final 2007 true-up to be recovered for the CR3 Uprate project

APPROVED

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Issue 9E: What amount should the Commission approve as PEF's 2008 actual and estimated construction costs for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as reasonable an amount of \$67,615,770 (gross system) as 2008 actual and estimated construction costs for the CR3 Uprate project. The amount net of participant credits and other adjustments is ~~\$63,157,440~~ \$53,157,440 system (\$49,836,695 jurisdictional).

APPROVED

Issue 9F: What amount should the Commission approve as carrying charges on PEF's 2008 actual and estimated construction costs for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as reasonable an amount of ~~\$6,006,106~~ \$6,006,160 as carrying charges on 2008 actual and estimated construction costs for the CR3 Uprate project.

APPROVED

Issue 9G: What total amount should the Commission approve as PEF's 2008 actual and estimated costs to be recovered for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as reasonable an amount of \$7,512,933 as 2008 recoverable actual and estimated costs for the CR3 Uprate project. However, if the Commission does not approve staff's recommendation on Issue 1A, the jurisdictional amount should be reduced by \$1,181,823 for a total of \$6,331,110.

APPROVED

Issue 11E: What amount should the Commission approve as PEF's 2009 projected construction costs for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as reasonable an amount of \$107,067,528 (gross system) as projected 2009 construction costs for the CR3 Uprate project. The amount net of participant credits and other adjustments is \$95,232,688 system (\$89,283,502 jurisdictional).

APPROVED

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Issue 11F: What amount should the Commission approve as carrying charges on PEF's 2009 projected construction costs for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as reasonable an amount of \$14,587,810 as carrying charges on projected 2009 construction costs for the CR3 Uprate project.

APPROVED

Issue 11G: What total amount should the Commission approve as PEF's 2009 projected costs to be recovered for the Crystal River 3 Uprate project?

Recommendation: The Commission should approve as reasonable a total amount of \$15,224,693 for projected 2009 recoverable costs for the CR3 Uprate project.

APPROVED

Issue 5B: What amount should the Commission approve as PEF's final 2007 true-up of prudently incurred site selection costs for the Levy Units 1 & 2 Project?

Recommendation: The Commission should approve as reasonable an amount of \$18,069,252 as final true-up of 2007 site selection costs for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

Issue 7B: What amount should the Commission approve as PEF's final 2007 true-up of prudently incurred construction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$61,471,684 system (\$55,651,072 jurisdictional) as final true-up of 2007 construction costs for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

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Issue 7C: What amount should the Commission approve as carrying charges on PEF's prudently incurred 2007 construction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$1,713,284 for carrying charges on 2007 construction costs for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

Issue 7D: What total amount should the Commission approve as PEF's final 2007 true-up to be recovered for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$1,711,443 as final 2007 true-up amount for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

Issue 5C: What amount should the Commission approve as PEF's actual 2008 site selection costs for the Levy Units 1 & 2 Project?

Recommendation: The Commission should approve as reasonable an amount of \$19,819,137 as actual 2008 site selection costs for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

Issue 9A: What amount should the Commission approve as PEF's 2008 actual and estimated preconstruction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$213,870,278 (gross system) as actual and estimated 2008 preconstruction costs for the Levy Units 1 & 2 project. The amount net of non-cash adjustments is \$201,571,563 (\$186,571,563 jurisdictional). A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties as identified in Issues 3A and 3B.

APPROVED

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Issue 9B: What amount should the Commission approve as PEF's 2008 actual and estimated construction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$13,987,139 (gross system) as actual and estimated 2008 construction cost for the Levy Units 1 & 2 project. The amount net of non-cash adjustments is \$8,626,151 system (\$7,361,929 jurisdictional). A determination of prudence should be deferred until the 2009 nuclear cost recovery clause proceeding consistent with the agreement and stipulation of the parties.

APPROVED

Issue 9C: What amount should the Commission approve as carrying charges on PEF's 2008 actual and estimated construction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$7,551,759 as carrying charges on actual and estimated 2008 construction cost for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

Issue 9D: What total amount should the Commission approve as PEF's 2008 actual and estimated costs to be recovered for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$207,137,326 as the total actual and estimated 2008 recoverable costs for the Levy Units 1 & 2 project. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the agreement and stipulation of the parties.

APPROVED

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Issue 11A: What amount should the Commission approve as PEF's 2009 projected preconstruction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$118,751,900 (gross system) as projected 2009 preconstruction cost for the Levy Units 1 & 2 project. The amount net of non-cash adjustments is \$111,414,704 system (\$97,084,049 jurisdictional).

APPROVED

Issue 11B: What amount should the Commission approve as PEF's 2009 projected construction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of ~~\$565,605,000~~ \$565,605,600 (gross system) as projected 2009 construction cost for the Levy Units 1 & 2 project. The amount net of non-cash adjustments is \$470,254,055 system (\$412,101,692 jurisdictional).

APPROVED

Issue 11C: What amount should the Commission approve as carrying charges on PEF's 2009 projected construction costs for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$30,217,903 for carrying charges on projected 2009 construction costs for the Levy Units 1 & 2 project.

APPROVED

Issue 11D: What total amount should the Commission approve as PEF's 2009 projected costs to be recovered for the Levy Units 1 & 2 project?

Recommendation: The Commission should approve as reasonable an amount of \$147,907,456 as total projected 2009 costs to be recovered for the Levy Units 1 & 2 project.

APPROVED

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Issue 13: What total amount should the Commission approve for the Nuclear Cost Recovery Clause to be included in establishing PEF's 2009 Capacity Cost Recovery Clause factor?

Recommendation: The Commission should approve \$418,311,136 as the total amount to be included in establishing PEF's 2009 Capacity Cost Recovery Clause factor. If the Commission approves the positions presented by the interveners in Issue 1A the amount should be \$417,129,313.

APPROVED

Issue 2A: Should the Commission find that for the year 2007, FPL's project management, contracting, and oversight controls were reasonable and prudent for the Turkey Point 6 & 7 project and for the Extended Power Uprate (EPU) project?

Recommendation: Staff recommends the Commission find FPL's 2007 project management, contracting, and oversight controls were reasonable and prudent for the EPU project. Pursuant to the approved partial stipulations, staff recommends the Commission not make a finding regarding the prudence of FPL's 2007 project management, contracting, and oversight controls for the Turkey Point 6 & 7 project. Prospectively, FPL should increase its documentation and support for single source and sole source contracts for the EPU project and the Turkey Point 6 & 7 project.

APPROVED

Issue 2B: Should the Commission find that for the year 2007, FPL's accounting and costs oversight controls were reasonable and prudent for the Turkey Point 6 & 7 project and for the EPU project?

Recommendation: Staff recommends the Commission find FPL's 2007 accounting and cost oversight controls were reasonable and prudent for the EPU project. Pursuant to the approved partial stipulations, staff recommends the Commission not make a finding regarding the prudence of FPL's 2007 accounting and costs oversight controls for the Turkey Point 6 & 7 project.

APPROVED

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Issue 6C: What amount should the Commission approve as FPL's final 2007 true-up of prudently incurred construction costs for the EPU project?

Recommendation: The Commission should approve as prudent the amount of \$8,624,516 (gross system) as final 2007 construction costs for the EPU project. The amount net of participant credits and non-cash adjustments is \$8,271,172 system (\$8,236,653 jurisdictional).

APPROVED

Issue 6D: What amount should the Commission approve as carrying charges on FPL's prudently incurred 2007 construction costs for the EPU project?

Recommendation: The Commission should approve \$0 as the carrying charge amount on FPL's prudently incurred 2007 construction costs for the EPU project. FPL did not accrue carrying charges for the EPU project during 2007.

APPROVED

Issue 8C: What amount should the Commission approve as FPL's 2008 actual and estimated construction costs for the EPU project?

Recommendation: The Commission should approve as reasonable the amount of \$79,030,565 (gross system) as 2008 actual and estimated construction costs for the EPU project. The amount net of participant credits and non-cash adjustments is \$74,879,154 system (\$74,566,646 jurisdictional).

APPROVED

Issue 8D: What amount should the Commission approve as carrying charges on FPL's 2008 actual and estimated construction costs for the EPU project?

Recommendation: The Commission should approve as reasonable an amount of \$3,740,411 as carrying charges on 2008 actual and estimated construction costs for the EPU project.

APPROVED

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Issue 8E: What total amount should the Commission approve as FPL's 2008 actual and estimated costs to be recovered for the EPU project?

Recommendation: The Commission should approve as reasonable the amount of \$3,733,003 as the total 2008 actual and estimated costs for the EPU project.

APPROVED

Issue 10C: What amount should the Commission approve as FPL's 2009 projected construction costs for the EPU project?

Recommendation: The Commission should approve as reasonable the amount of \$240,845,910 (gross system) as projected 2009 construction costs for the EPU project. The amount net of participant credits and non-cash adjustments is \$234,272,148 system (\$233,294,413 jurisdictional).

APPROVED

Issue 10D: What amount should the Commission approve as carrying charges on FPL's 2009 projected construction costs for the EPU project?

Recommendation: The Commission should approve as reasonable the carrying charge amount of \$16,564,497 on projected 2009 construction costs for the EPU project.

APPROVED

Issue 10E: What total amount should the Commission approve as FPL's 2009 projected costs to be recovered for the EPU project?

Recommendation: The Commission should approve as reasonable the amount of \$16,553,019 as total 2009 projected costs for the EPU project.

APPROVED

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Issue 4B: What amount should the Commission approve as FPL's final 2007 true-up of prudently incurred site selection costs for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$6,539,167 as final 2007 site selection costs for the Turkey Point Units 6 & 7 project. Any finding of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the parties' stipulation.

APPROVED

Issue 6A: What amount should the Commission approve as FPL's final 2007 true-up of prudently incurred preconstruction costs for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$ 2,533,265 gross system (\$2,522,692 jurisdictional) as final 2007 preconstruction costs for the Turkey Point Units 6 & 7 project. The amount net of non-cash adjustments is \$1,960,481 system (\$1,952,300 jurisdictional). Any finding of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the parties' stipulation.

APPROVED

Issue 6B: What total amount should the Commission approve as FPL's final 2007 true-up to be recovered for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$9,082,406 as the final 2007 true-up amount for the Turkey Point Units 6 & 7 project. Any finding of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the parties' stipulation.

APPROVED

Issue 8A: What amount should the Commission approve as FPL's 2008 actual and estimated preconstruction costs for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$70,000,000 system (\$67,707,855 jurisdictional) as 2008 actual and estimated preconstruction costs for the Turkey Point Units 6 & 7 project.

APPROVED

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Issue 8B: What total amount should the Commission approve as FPL's 2008 actual and estimated costs to be recovered for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$73,766,037 as total 2008 actual and estimated costs to be recovered for the Turkey Point Units 6 & 7 project.

APPROVED

Issue 10A: What amount should the Commission approve as FPL's 2009 projected preconstruction costs for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$110,000,000 system (\$109,540,915 jurisdictional) as 2009 projected preconstruction costs for the Turkey Point Units 6 & 7 project. FPL did not project non-cash adjustments for 2009 preconstruction costs.

APPROVED

Issue 10B: What total amount should the Commission approve as FPL's 2009 projected costs to be recovered for the Turkey Point Units 6 & 7 project?

Recommendation: The Commission should approve as reasonable the amount of \$117,394,778 as the total 2009 projected costs to be recovered for the Turkey Point Units 6 & 7 project.

APPROVED

Issue 12: What total amount should the Commission approve for the Nuclear Cost Recovery Clause to be included in establishing FPL's 2009 Capacity Cost Recovery Clause factor?

Recommendation: The Commission should approve \$220,529,243 as the total amount to be included in establishing FPL's 2009 Capacity Cost Recovery Clause factor. A determination of prudence should be deferred until the 2009 nuclear cost recovery cycle consistent with the parties' stipulation.

APPROVED

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FULLY STIPULATED ISSUES

ISSUE 1D: Should a utility be required to inform the Commission of any change in ownership or control of any asset which was afforded cost recovery under the Nuclear Cost Recovery Clause?

FULLY STIPULATED POSITION: Yes, timely notification to the Commission and parties to the NCRC docket at the time of filing the notice will allow the Commission to make any required adjustments within or outside of the Nuclear Cost Recovery Clause. Staff will conduct workshops on the administrative procedures to be used by the Commission to make such adjustments.

STIPULATED

ISSUE 4A: Should the Commission grant FPL's request to include the review and approval for recovery through the Nuclear Cost Recovery Clause of prudently incurred site selection costs for the Turkey Point Unit 6 & 7 project?

FULLY STIPULATED POSITION: Yes. The timing of the Turkey Point 6 & 7 need determination order prevented FPL from filing for recovery of 2007 site selection costs and preconstruction costs for that project by March 1, as contemplated for previous year true-ups under Rule 25-6.0423, F.A.C. To refuse to allow FPL to begin collecting these costs in 2009 could result in even higher charges to customers in 2010; however, the post March 1 filing date shortens the time available for OPC and other parties to review and analyze the site selection and preconstruction costs in this proceeding that is envisioned by the rule, and shortens the time available to the Commission to conduct the prudence review set forth in subsections 25-6.0423(b)(c)(2) and (3) of the above rule. To resolve the issues created by the timing of FPL's request, OPC and FPL agree that FPL may include those site selection and preconstruction costs in the calculation of the nuclear cost recovery amount that is to be recovered through the 2009 capacity cost recovery factor, and further agree that any finding as to the prudence of the costs and/or determination that certain costs should be disallowed will be deferred until the 2009 nuclear cost recovery cycle.

STIPULATED

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ISSUE 5A: Should the Commission grant PEF's request to include the review and approval for recovery through the Nuclear Cost Recovery Clause of prudently incurred site selection costs for the Levy Units 1 & 2 project?

FULLY STIPULATED POSITION: Yes. OPC and PEF agree that the following categories of costs: O&M, return on accumulated deferred tax asset (liability), site selection, pre-construction, construction, and calculation of carrying costs in PEF's NFRs, may be included in the calculation of the nuclear cost recovery amount to be recovered through the 2009 capacity cost recovery factor subject to the deferral of any finding as to the prudence of those costs until the 2009 nuclear cost recovery cycle, notwithstanding the language of subsection 25-6.0423(5)(c)3 of the Rule that such costs "shall not be subject to disallowance or further prudence review." OPC and PEF further agree that PEF's site selection costs will be recovered through the nuclear cost recovery clause in the same manner as pre-construction costs are recovered in Rule 25-6.0423(5)(a).

STIPULATED

ISSUE 6E: What total amount should the Commission approve as FPL's final 2007 true-up to be recovered for the EPU project?

FULLY STIPULATED POSITION: As stated in its position on Issue 6D, FPL did not accrue carrying charges on construction costs during 2007. Therefore, there are no costs to be recovered.

STIPULATED

ISSUE 6F: Has FPL demonstrated that the uprate costs it seeks to recover in this docket are separate and apart from those it would incur in conjunction with providing safe and reliable service, had there been no uprate project?

FULLY STIPULATED POSITION: OPC and FPL stipulate that as it applies to nuclear uprate projects, the NCRC should be limited to those costs that are separate and apart from nuclear costs that would have been necessary to provide safe and reliable service had there been no uprate project. OPC and FPL will work with PSC Staff to develop an NFR form for use in the 2009 hearing cycle that specifies the information that a utility will provide in support of its request, that the uprate costs in its NCRC filing are separate and apart from costs that would have been necessary to provide safe and reliable service without the uprate. For the purposes of the 2008 NCRC hearings, OPC will not challenge the prudence of FPL's 2007 uprate costs on the "separate and apart" issue. OPC's position for the 2007 uprate costs, however, does not prevent OPC from raising the "separate and apart" issue for any FPL uprate costs incurred subsequent to 2007.

STIPULATED

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ISSUE 7A: What amount should the Commission approve as PEF’s final 2007 true-up of prudently incurred preconstruction costs for the Levy Units 1 & 2 project?

FULLY STIPULATED POSITION: There are no 2007 preconstruction costs for PEF’s Levy Units 1 & 2 project.

STIPULATED

ISSUE 7H: Has PEF demonstrated that the uprate costs it seeks to recover in this docket are separate and apart from those it would incur in conjunction with providing safe and reliable service, had there been no uprate project?

FULLY STIPULATED POSITION: OPC and PEF stipulate that as it applies to nuclear uprate projects, the NCRC should be limited to those costs that are separate and apart from nuclear costs that would have been necessary to provide safe and reliable service had there been no uprate project. OPC and PEF will work with PSC Staff to develop an NFR form for use in the 2009 hearing cycle that specifies the information that a utility will provide in support of its request, that the uprate costs in its NCRC filing are separate and apart from costs that would have been necessary to provide safe and reliable service without the uprate. For the purposes of the 2008 NCRC hearings OPC will not challenge the prudence of PEF’s 2006 and 2007 CR3 Uprate costs on the “separate and apart” issue. OPC’s position for the 2006 and 2007 CR3 Uprate costs, however, does not prevent OPC from raising the “separate and apart” issue for any CR3 Uprate costs incurred subsequent to 2007.

STIPULATED

ISSUE 14: Should Docket No. 080149-EI, be closed?

FULLY STIPULATED POSITION: Yes.

STIPULATED

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PARTIALLY STIPULATED ISSUES

ISSUE 2A: Should the Commission find that for the year 2007, FPL’s project management, contracting, and oversight controls were reasonable and prudent for the Turkey Point 6 & 7 project and for the Extended Power Uprate (EPU) project?

PARTIALLY STIPULATED POSITION: The timing of the Turkey Point 6 & 7 need determination order prevented FPL from filing for recovery of 2007 site selection costs and preconstruction costs for that project by March 1, as contemplated for previous year true-ups under Rule 25-6.0423, F.A.C. To refuse to allow FPL to begin collecting these costs in 2009 could result in even higher charges to customers in 2010; however, the post March 1 filing date shortens the time available for OPC and other parties to review and analyze the site selection and preconstruction costs in this proceeding that is envisioned by the rule, and shortens the time available to the Commission to conduct the prudence review set forth in subsections 25-6.0423(b)(c)(2) and (3) of the above rule. To resolve the issues created by the timing of FPL’s request, OPC and FPL agree that FPL may include those site selection and preconstruction costs in the calculation of the nuclear cost recovery amount that is to be recovered through the 2009 capacity cost recovery factor, and further agree that any finding as to the prudence of the costs and/or determination that certain costs should be disallowed will be deferred until the 2009 nuclear cost recovery cycle.

PARTIALLY STIPULATED

ISSUE 2B: Should the Commission find that for the year 2007, FPL’s accounting and costs oversight controls were reasonable and prudent for the Turkey Point 6 & 7 project and for the EPU project?

PARTIALLY STIPULATED POSITION: The timing of the Turkey Point 6 & 7 need determination order prevented FPL from filing for recovery of 2007 site selection costs and preconstruction costs for that project by March 1, as contemplated for previous year true-ups under Rule 25-6.0423, F.A.C. To refuse to allow FPL to begin collecting these costs in 2009 could result in even higher charges to customers in 2010; however, the post March 1 filing date shortens the time available for OPC and other parties to review and analyze the site selection and preconstruction costs in this proceeding that is envisioned by the rule, and shortens the time available to the Commission to conduct the prudence review set forth in subsections 25-6.0423(b)(c)(2) and (3) of the above rule. To resolve the issues created by the timing of FPL’s request, OPC and FPL agree that FPL may include those site selection and preconstruction costs in the calculation of the nuclear cost recovery amount that is to be recovered through the 2009 capacity cost recovery factor, and further agree that any finding as to the prudence of the costs and/or determination that certain costs should be disallowed will be deferred until the 2009 nuclear cost recovery cycle.

PARTIALLY STIPULATED

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ISSUE 3B: Should the Commission find that for the year 2007, PEF's accounting and costs oversight controls were reasonable and prudent for Levy Units 1 & 2 project and the Crystal River 3 Uprate project?

PARTIALLY STIPULATED POSITION: Commission staff witness Jeffery Small provided testimony offering alternatives to the method PEF witness Will Garrett used in valuing the Lybass parcel of land used for Levy Units 1 & 2. Staff and PEF agree that the consideration of alternative methods is appropriately considered during a prudence review. If the Commission approves the stipulation between PEF and OPC then the testimony of witness Jeffery Small should also be considered at the time of the prudence review. The Commission may include the costs as calculated by Will Garrett as reasonable in the 2008 proceeding. PEF agrees that should the Commission find that PEF's method for valuing the Lybass parcel used for Levy Units 1 & 2 is imprudent, then PEF will refund that amount deemed imprudent.

PARTIALLY STIPULATED

ISSUE 6A: What amount should the Commission approve as FPL's final 2007 true-up of prudently incurred preconstruction costs for the Turkey Point Units 6 & 7 project?

PARTIALLY STIPULATED POSITION: The timing of the Turkey Point 6 & 7 need determination order prevented FPL from filing for recovery of 2007 site selection costs and preconstruction costs for that project by March 1, as contemplated for previous year true-ups under Rule 25-6.0423, F.A.C. To refuse to allow FPL to begin collecting these costs in 2009 could result in even higher charges to customers in 2010; however, the post March 1 filing date shortens the time available for OPC and other parties to review and analyze the site selection and preconstruction costs in this proceeding that is envisioned by the rule, and shortens the time available to the Commission to conduct the prudence review set forth in subsections 25-6.0423(b)(c)(2) and (3) of the above rule. To resolve the issues created by the timing of FPL's request, OPC and FPL agree that FPL may include those site selection and preconstruction costs in the calculation of the nuclear cost recovery amount that is to be recovered through the 2009 capacity cost recovery factor, and further agree that any finding as to the prudence of the costs and/or determination that certain costs should be disallowed will be deferred until the 2009 nuclear cost recovery cycle.

PARTIALLY STIPULATED

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ISSUE 6B: What total amount should the Commission approve as FPL's final 2007 true-up to be recovered for the Turkey Point Units 6 & 7 project?

PARTIALLY STIPULATED POSITION: The timing of the Turkey Point 6 & 7 need determination order prevented FPL from filing for recovery of 2007 site selection costs and preconstruction costs for that project by March 1, as contemplated for previous year true-ups under Rule 25-6.0423, F.A.C. To refuse to allow FPL to begin collecting these costs in 2009 could result in even higher charges to customers in 2010; however, the post March 1 filing date shortens the time available for OPC and other parties to review and analyze the site selection and preconstruction costs in this proceeding that is envisioned by the rule, and shortens the time available to the Commission to conduct the prudence review set forth in subsections 25-6.0423(b)(c)(2) and (3) of the above rule. To resolve the issues created by the timing of FPL's request, OPC and FPL agree that FPL may include those site selection and preconstruction costs in the calculation of the nuclear cost recovery amount that is to be recovered through the 2009 capacity cost recovery factor, and further agree that any finding as to the prudence of the costs and/or determination that certain costs should be disallowed will be deferred until the 2009 nuclear cost recovery cycle.

PARTIALLY STIPULATED

Carol Purvis

From: Mary Bane
Sent: Friday, October 10, 2008 4:03 PM
To: Jim Breman
Cc: Tim Devlin; Marshall Willis; Marshall Willis; Cayce Hinton; Mark Laux; William C. Garner; Roberta Bass; Lorena Holley; Larry Harris; Bill McNulty; Carol Purvis; Ann Cole; Hong Wang; Betty Ashby; Mary Bane
Subject: RE: Requested changes to staff's recommendation in Docket No. 080009-EI on the 10/14/2008 Agenda Conference (Item 11 - The Nuclear Cost Recovery Clause)

Approved. Be prepared to verbally make these corrections at the agenda conference.

From: Jim Breman
Sent: Friday, October 10, 2008 1:07 PM
To: Mary Bane
Cc: Tim Devlin; Marshall Willis; Marshall Willis; Cayce Hinton; Mark Laux
Subject: Requested changes to staff's recommendation in Docket No. 080009-EI on the 10/14/2008 Agenda Conference (Item 11 - The Nuclear Cost Recovery Clause)

Staff is requesting approval to make corrections to the recommendation that is Item 11 on the 10/14/2008 Agenda Conference. The requested corrections are:

1. Page 23:
 - 1) In the recommendation paragraph, last line, strike \$~~33~~,136,826 and replace with \$32,136,826.
 - 2) In the staff analysis section, last paragraph, last line strike \$~~33~~,136,826 and replace with \$32,136,826.
2. Page 26:
 - 1) In the recommendation paragraph, third line, strike \$~~63~~,157,440 and replace with \$53,157,440.
 - 2) In the staff analysis section, last paragraph, last line strike \$~~63~~,157,440 and replace with \$53,157,440.
3. Page 27:
 - 1) Strike \$6,006,~~106~~ in the recommendation paragraph and replace with \$6,006,160.
 - 2) In the staff analysis section, second paragraph, line 5, strike \$6,006,~~106~~ replace with \$6,006,160.
 - 3) In the staff analysis section, second paragraph, line 7, strike \$6,006,~~106~~ replace with \$6,006,160.
4. Page 30:
 - 1) In the recommendation paragraph, second line, the word "cost" should be "costs."
 - 2) In the staff analysis section, third paragraph, last line the word "cost" should be "costs."
5. Page 37:
 - 1) In the recommendation paragraph, second line, insert a space between "2008" and "preconstruction."
 - 2) In the staff analysis section, add a close parenthesis at the end of the first paragraph.
6. Page 38:

In the staff analysis section, second paragraph, first line, strike \$~~5,493,718~~ and replace with \$5,620,939.

7. Page 40:

1) In the staff analysis section, second paragraph strike first sentence and replace with "The requested total is comprised of the amount approved in Issue 9A, AFUDC on 9A, the amount approved in Issue 9C, O&M, and DTA carrying costs."

2) In the staff analysis section, second paragraph, second to the last sentence, after "Absent adjustments," insert "the AFUDC amount of \$11,796,128," so that the revised sentence reads "Absent adjustments, the AFUDC amount of \$11,796,128, the DTA amount of (\$137,271) and O&M expense of \$1,355,147 appear reasonable."

3) In the staff analysis section, the table at the bottom of the page:

a) In the first line item, insert "plus AFUDC" after "Issue 9A" so that the revised line description reads "Issue 9A plus AFUDC."

b) In the second line item, strike \$7,5+1,759 and replace with \$7,51,759.

8. Page 43:

1) In the recommendation paragraph, first line, strike \$565,605,000 and replace with \$565,605,600.

2) In the staff analysis section, second paragraph, third line, strike \$140,040,000 and replace with \$140,040,600.

3) In the staff analysis section, second paragraph, fourth third line, strike 565,605,000 and replace with \$565,605,600.

4) In the staff analysis section, third paragraph, fourth third line, strike 565,605,000 and replace with \$565,605,600.

9. Page 47:

In the staff analysis section, in the second line, strike \$418,311,137 and replace with \$418,311,136.

10. Page 65:

In the staff analysis section, in the last line of the last paragraph, strike \$7,047 and replace with \$7,407.

11. Page 76:

In the recommendation paragraph, strike the amount of \$67,707,855 and replace with \$69,707,855.

12. Page 77:

1) In the second paragraph and line 6, strike the amount of \$67,707,855 and replace with \$69,707,855.

2) In the third paragraph and second line, strike the amount of \$67,707,855 and replace with \$69,707,855.

Thank you.